

## EQUITY RESEARCH

### NEODECORTECH RESULTS REVIEW

**BUY**  
**TP 4.50€**  
**Up/Downside: 48%**

### Q1 2025 tracking well, energy contribution driving margin uplift

Neodecortech reported improving Q1 2025 results despite persistent weakness in the furniture market. Revenue rose slightly to €43.6m (+1.3% YoY), supported by the BEG (energy) division, whose contribution is becoming increasingly strategic. EBITDA reached €4.0m (+20.3% YoY), with a 9.2% margin, supported by a favourable mix and tight cost control. Free cash flow improved significantly thanks to the collection of PMG receivables.

Neodecortech released its Q1 2025 results last night, confirming a stabilisation trend in the context of still-soft demand in the furniture segment.

Revenue came in at €43.6m, up +1.3% YoY, despite continued pressure on volumes and unit prices in the decorative paper divisions (NDT and CDG). This modest growth is mainly driven by the BEG (energy) business, whose revenue increased by €3m, supported by the resumption of the PMG regime and a normalisation of cogeneration activity.

EBITDA rose by +20.3% YoY to €4.0m, with the margin improving to 9.2% (+140 bps YoY vs. 7.8% in Q1 2024). This improvement stems from a better sales mix linked to BEG, strict personnel cost control (notably within CDG), and stable input costs—excluding targeted increases in specific materials (animal fats, pulp, titanium dioxide). Notably, EBITDA growth was achieved despite underutilised industrial capacity, highlighting effective cost structure management.

Net income reached €0.8m (+25% YoY), driven by stronger operating profit and contained financial charges. Net debt declined to €33.4m (vs. €37.5m at end-2024), benefiting from the partial disposal of BEG's PMG receivables (€14m collected in early 2025), which eased balance sheet pressure and supported robust free cash flow. Operationally, the backlog remained stable vs. end-2024, reflecting still-muted demand in European furniture (Italy -10%, other EU -8.5%). However, performance outside Europe improved markedly, especially in Asia/Middle East (+106% YoY), offering a potential path for gradual diversification.

At this stage, the Group appears well positioned to meet our full-year forecasts, supported by a more defensive profile thanks to energy and an adapted cost structure amid weak demand.

We reiterate our **Buy** rating and our **€4.5 target price**.

#### Key data

Price (€)	3.0
Industry	Diversified Paper
Ticker	NDT-IT
Shares Out (m)	14.218
Market Cap (m €)	43.2
Average trading volumes (k shares / day)	2.650
Next event	H1 2025 - 04/08/2025
Source: FactSet	

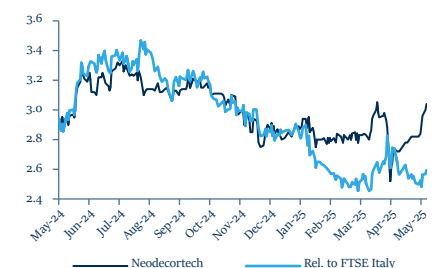
#### Ownership (%)

Valentini Finanziaria SpA	58.6
Free float	41.4
Source: TPICAP Midcap estimates	

EPS (€)	12/25e	12/26e	12/27e
Estimates	0.35	0.46	0.48
Change vs previous estimates (%)	0.00	0.00	0.00

Source: TPICAP Midcap estimates

Performance (%)	1D	1M	YTD
Price Perf	1.3	10.9	7.8
Rel FTSE Italy	1.1	-5.3	-8.4



Source: FactSet

TP ICAP Midcap Estimates	12/24	12/25e	12/26e	12/27e	Valuation Ratio	12/25e	12/26e	12/27e
Sales (m €)	168.6	175.4	181.6	188.3	EV/Sales	0.4	0.4	0.4
Current Op Inc (m €)	7.5	8.6	9.6	9.9	EV/EBITDA	4.4	4.0	3.6
Current op. Margin (%)	4.4	4.9	5.3	5.3	EV/EBIT	9.0	7.5	6.8
EPS (€)	0.28	0.35	0.46	0.48	PE	8.7	6.7	6.3
DPS (€)	1.79	1.72	2.32	2.50	Source: TPICAP Midcap			
Yield (%)	58.9	56.5	76.4	82.4				
FCF (m €)	-5.1	3.0	8.1	7.6				

Consensus FactSet - Analysts:na	12/25e	12/26e	12/27e
Sales	174.2	178.8	184.7
EBIT	8.3	8.8	9.5
Net income	4.5	5.8	6.4

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## FINANCIAL DATA

Income Statement	12/22	12/23	12/24	12/25e	12/26e	12/27e
Sales	196.5	161.6	168.6	175.4	181.6	188.3
Changes (%)	11.4	-17.7	4.3	4.0	3.6	3.7
Gross profit	70.8	66.3	64.5	67.7	70.8	74.1
% of Sales	36.0	41.0	38.3	38.6	39.0	39.4
<b>EBITDA</b>	<b>16.0</b>	<b>13.9</b>	<b>16.6</b>	<b>17.4</b>	<b>18.2</b>	<b>18.9</b>
% of Sales	8.1	8.6	9.9	9.9	10.0	10.0
<b>Current operating profit</b>	<b>6.1</b>	<b>4.6</b>	<b>7.5</b>	<b>8.6</b>	<b>9.6</b>	<b>9.9</b>
% of Sales	3.1	2.9	4.4	4.9	5.3	5.3
Non-recurring items	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	6.1	4.6	7.5	8.6	9.6	9.9
Net financial result	3.1	-2.0	-2.3	-2.3	-1.4	-1.2
Income Tax	-0.8	0.2	-1.2	-1.4	-1.8	-1.9
Tax rate (%)	8.7	na	23.2	22.0	22.0	22.0
<b>Net profit, group share</b>	<b>8.4</b>	<b>2.9</b>	<b>4.0</b>	<b>4.9</b>	<b>6.5</b>	<b>6.8</b>
EPS	0.60	0.20	0.28	0.35	0.46	0.48
Financial Statement	12/22	12/23	12/24	12/25e	12/26e	12/27e
Goodwill	0.0	0.0	0.0	0.0	0.0	0.0
Tangible and intangible assets	79.4	76.7	77.8	78.9	80.0	80.6
Right of Use	0.0	0.0	0.0	0.0	0.0	0.0
Financial assets	0.5	0.4	0.5	0.5	0.5	0.5
Working capital	30.3	31.5	41.5	43.3	42.7	42.4
Other Assets	8.1	4.4	3.8	4.9	4.1	4.2
Assets	118.4	113.1	123.6	127.6	127.3	127.7
Shareholders equity group	77.3	77.5	80.7	83.6	87.5	91.3
LT & ST provisions and others	2.9	2.9	2.9	2.9	2.9	2.9
Net debt	30.7	25.9	33.2	33.8	28.7	24.3
Other liabilities	6.3	5.9	5.5	6.2	7.1	8.1
Liabilities	118.4	113.1	123.6	127.6	127.3	127.7
Net debt excl. IFRS 16	30.7	25.9	33.2	33.7	28.7	24.2
Leverage	1.9	1.9	2.0	1.9	1.6	1.3
Cash flow statement	12/22	12/23	12/24	12/25e	12/26e	12/27e
CF after elimination of net borrowing costs and taxes	14.7	12.1	13.9	14.4	15.9	16.8
$\Delta WCR$	-9.1	1.6	-10.4	-3.1	1.4	0.2
Operating cash flow	5.6	13.7	3.5	11.3	17.3	17.0
Net capex	-9.3	-6.5	-10.1	-9.9	-9.6	-9.6
FCF	-3.2	9.3	-5.1	3.0	8.1	7.6
Acquisitions/Disposals of subsidiaries	0.0	0.0	0.0	0.0	0.0	0.0
Other investments	0.0	0.0	0.0	0.0	0.0	0.0
Change in borrowings	6.7	-4.5	7.7	0.0	0.0	0.0
Dividends paid	-2.0	-1.9	0.0	-1.7	-2.3	-2.5
Repayment of leasing debt	0.0	0.0	0.0	0.0	0.0	0.0
Equity Transaction	-0.3	-0.5	-0.7	-0.3	-0.3	-0.4
Others	-2.1	-0.3	0.0	0.0	0.0	0.0
Change in net cash over the year	-1.4	0.1	0.3	-0.5	5.0	4.4
ROA (%)	5.0%	1.7%	2.3%	2.8%	3.5%	3.6%
ROE (%)	10.9%	3.7%	4.9%	5.9%	7.4%	7.4%
ROCE (%)	4.9%	3.2%	4.8%	5.4%	6.1%	6.2%

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### Analyst certifications

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This Report may mention evaluation methods defined as follows:

1. DCF method: discounting of future cash flows generated by the company's operations. Cash flows are determined by the analyst's financial forecasts and models. The discount rate used corresponds to the weighted average cost of capital, which is defined as the weighted average cost of the company's debt and the theoretical cost of its equity as estimated by the analyst.
2. Comparable method: application of market valuation multiples or those observed in recent transactions. These multiples can be used as references and applied to the company's financial aggregates to deduce its valuation. The sample is selected by the analyst based on the characteristics of the company (size, growth, profitability, etc.). The analyst may also apply a premium/discount depending on his perception of the company's characteristics.
3. Assets and liabilities method: estimate of the value of equity capital based on revalued assets adjusted for the value of the debt.
4. Discounted dividend method: discounting of estimated future dividend flows. The discount rate used is generally the cost of capital.
5. Sum of the parts: this method consists of estimating the various activities of a company using the most appropriate valuation method for each of them, then realizing the sum of the parts.

### Conflict of Interests between TP ICAP Midcap and the Issuer

G. Midcap and the Issuer have agreed to the provision by the former to the latter of a service for the production and distribution of the investment recommendation on the said Issuer: Neodecortech

H. TPICAP Midcap prepared this document on behalf of BPER Banca S.p.A acting as specialist in accordance with article 2.3.5 of Rules of the Markets (and related instructions) organized and managed by Borsa Italiana S.p.A.: Neodecortech

## History of investment rating and target price – Neodecortech



## Historical recommendations and target price (-1Y)

Date	Analyst	Old Target Price	New Target Price	Closing Price	Old Recommendation	New Recommendation
20 Mar 25 - 07:58:14	Mathias Paladino	€ 4.50	€ 4.50	€ 2.86	Achat	Buy
14 Nov 24 - 08:29:33	Mathias Paladino	€ 4.50	€ 4.50	€ 2.90	Achat	Buy
05 Aug 24 - 07:59:12	Mickael Daponte	€ 4.50	€ 4.50	€ 3.22	Achat	Buy
27 May 24 - 07:33:43	Mickael Daponte	€ 4.50	€ 4.50	€ 2.96	Achat	Buy

## Distribution of Investment Ratings

Rating	Recommendation Universe*	Portion of these provided with investment banking services**
Buy	81%	65%
Hold	14%	68%
Sell	3%	20%
Under review	2%	100%

Midcap employs a rating system based on the following:

Buy: Expected to outperform the markets by 10% or more over a 6 to 12 months horizon.

Hold: expected performance between -10% and +10% compared to the market over a 6 to 12 months horizon.

Sell: Stock is expected underperform the markets by 10% or more over a 6 to 12 months horizon.

The history of ratings and target prices for the Issuers covered in this report are available on request at <https://researchtpicap.midcapp.com/en/disclaimer>.

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